WESTERN UNION TELEGRAPH CO
13022 HOLLENBERG LN
BRIDGETON MO 63044

Mailgram

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RANDY RISSMAN
TIGER ELECTRONIC TOYS, INC.
909 ORCHARD
MUNDELEIN IL 60060

PLAINTIFF'S EXHIBIT 17

RE: MERCHANDISING LICENSE AGREEMENT DATED SEPTEMBER 18, 1981, BETWEEN TIGER ELECTRONIC TOYS, INC. AND MERCHANDISING CORPORATION OF AMERICA, INC. ("LICENSE AGREEMENT")

WE ARE IN RECEIPT OF YOUR MAY 6, 1982, LETTER AND ENCLOSURES, RESPONDING TO OUR TELEGRAM OF MAY 5, 1982. YOUR RESPONSE IS UNACCEPTABLE. YOU HAVE SENT ADVERTISING, PROMOTION AND CATALOG MATERIAL WHICH DEMONSTRATES THAT YOU HAVE ADVERTISED AND PROMOTED A "KING KONG" MINI-ARCADE TABLETOP ELECTRONIC GAME WITHOUT SUBMITTING THE GAME, GAME CONCEPT OR ANY SURROUNDING MATERIAL TO US FOR PRIOR APPROVAL, AS REQUIRED BY THE LICENSE AGREEMENT. FURTHER, THE ADVERTISING, PACKAGING AND CATALOG MATERIAL WHICH YOU HAVE PREPARED AND DISTRIBUTED WITHOUT OUR PRIOR APPROVAL MAKES CLEAR THAT THE DISPLAY BOARD AND CONCEPT OF YOUR "KING KONG" MINI-ARCADE TABLETOP ELECTRONIC GAME IS SUBSTANTIALLY SIMILAR TO THE DISPLAY BOARD AND CONCEPT OF A POPULAR ARCADE GAME CALLED "DONKEY KONG" CURRENTLY OWNED AND MARKETED BY ANOTHER COMPANY. UNDER THE CIRCUMSTANCES, WE WOULD NOT HAVE APPROVED THE DISPLAY BOARD AND CONCEPT OF YOUR "KING KONG" MINI-ARCADE TABLETOP ELECTRONIC GAME HAD THEY BEEN SUBMITTED FOR PRIOR APPROVAL, AND WE CERTAINLY DISAPPROVE THEM AT THIS TIME. SIMILARLY, WE DISAPPROVE THE PACKAGING AND ADVERTISING MATERIAL ACCOMPANYING YOUR "KING KONG" MINI-ARCADE TABLETOP ELECTRONIC GAME.

AS A RESULT OF YOUR FAILURE TO SUBMIT ANY PROTOTYPES, PACKAGING, ADVERTISING, OR OTHER MATERIAL TO US PREVIOUSLY, AND THE UNACCEPTABLE AND DEFICIENT MATERIAL THAT YOU HAVE NOW SUBMITTED, IT IS CLEAR THAT IT WILL NOT BE POSSIBLE FOR YOU TO MANUFACTURE, SELL OR DISTRIBUTE A "KING KONG" MINI-ARCADE ELECTRONIC GAME OR VIDEO GAME, APPROVED BY US, DURING THE TIME PERIODS PROVIDED BY THE LICENSE AGREEMENT.

WE ARE ALSO SURPRISED AND DISMAYED TO LEARN FROM THE MATERIAL THAT YOU DELIVERED WITH YOUR MAY 6 LETTER THAT YOU HAVE BEEN AND ARE PROMOTING AND ADVERTISING A "KING KONG" GAME CLOCK FOR WHICH YOU HAVE NO LICENSE.

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FOR ALL THE FOREGOING REASONS, TIGER ELECTRONIC TOYS, INC. HAS NOT COMPLIED WITH ITS OBLIGATIONS UNDER THE LICENSE AGREEMENT AND IS IN MATERIAL BREACH THEREOF. ACCORDINGLY, WE HEREBY TERMINATE THE LICENSE AGREEMENT AND DEMAND THAT YOU IMMEDIATELY CEASE AND DESIST FROM THE DESIGN, MANUFACTURE, SALE, DISTRIBUTION, PROMOTION OR ADVERTISING OF

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Western Union Mailgram

ANY PRODUCTS ENTITLED "KING KONG" (OR ANY VARIATION THEREOF). PLEASE CONFIRM IN WRITING WITHIN 24 HOURS THAT TIGER ELECTRONIC TOYS, INC. WILL SO·CEASE AND DESIST.
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